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FOREIGN CROPS AND MARKETS

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LATE CABLES . . . . . .

Uruguay final 1939 production estimates reported as follows, with 1938 comparisons in parentheses: Wheat 9,553,000 bushels (15,461,000), barley 781,000 (638,000), oats 3,100,000 (3,586,000), flaxseed 4,685,000 bushels (4,427,000).

Hungary serious damage to winter grains as a result of severe cold confirmed.

India final report of sugar-cane acreage for 1939-40 placed at 3,619,000 acres compared with 3,130,000 acres in 1938-39 and production of cane sugar at 5,093,000 short tons compared with 3,795,000. (International Institute of Agriculture, Rome.)

Japanese Empire sugar crop forecast at 1,533,000 short tons for 1939-40. Trade sources believe production substantially below this estimate. Using above figures and adding production in Manchuria and South China, which is now under Japanese control, it is calculated that sugar shortage of 330,000 short tons exists in the Japanese yen-bloc area - Japanese Empire, Manchuria, and occupied area of China. It is reported that a substantial quantity of the new crop was used in 1939. The Japanese Government is endeavoring to reduce sugar consumption in order to prevent an acute shortage or large imports. (American agricultural attaché, Shanghai.)

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NOTICE

The index to Foreign Crops and Markets, Vol. 38, January-June 1939, is now available and will be sent to those requesting it.

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ARGENTINE GRAIN TRANSACTIONS AFFECTED BY WAR

Not only has the transportation of Argentine grain overseas been directly affected by the European war, but methods of buying and selling have also been modified, according to a report from the office of the agricultural attache at Buenos Aires. That transportation difficulties should arise is not surprising when it is realized that over 97 percent of the grain exported from Argentina during 1939 was carried by foreign ships and less than 3 percent by Argentine ships. The first change noted was the decline in the number of ships leaving Argentine ports just before the outbreak of the war. From April to July they averaged at least 200 a month, but beginning in August they fell off in number until a low of 122 was reached in October. By this time, the situation had become somewhat less confusing and the convoy system established, with the result that 149 boats sailed from Argentina in November and 168 in December.

Despite the reduced sailings late in the year, a total of 2,104 ships loaded with grain left Argentine ports during 1939 as compared with 1,722 in the previous year. No comparison of the relative sizes of the boats employed in the 2 years was reported. Corn shipments were generally heavier in 1939, and exports of wheat were larger except in January and February, when the overseas movement was unusually slow considering the large supply on hand at the beginning of the year. (See table, page 199.)

A study of the nationalities of the boats carrying Argentine grain last year revealed the fact that from January through August, 343 were British, 112 German, and 49 French, but during September-December, 130 were British, 10 German, and 7 French. Of the total tonnage, these nationalities carried only 27.9 percent in the latter period as against 35.2 percent during the former. The decline in the sailings of belligerent ships was offset to some extent by increases in number of neutral vessels loading Argentine grain, particularly Dutch and Italian.

The difficulties encountered in maritime traffic in recent months have resulted in some changes also in the traditional cost-insurance-and-freight method of selling Argentine grain. Negotiations are now being made on a free-on-board basis at Argentine ports, or with cost and insurance included in the terms, but not freight. Grain exporters have been practically excluded from shipping contracts, because Government agencies in both belligerent and neutral countries have assumed control of these operations in order to insure the fulfillment of import requirements and influence the final destination of grain cargoes.

SWEDEN'S WHEAT SUPPLY PLENTIFUL

The value of the total 1939 harvest in Sweden, sugar beets not included, exceeded that of 1938 by about 8 percent, according to information furnished the United States consulate at Stockholm by the Central Bureau of Statistics. The wheat crop, estimated at 31,304,000 bushels, exceeded the record of 1938 when 30,184,000 bushels were harvested. Rye

production declined to 14,893,000 bushels from 15,932,000 in 1938, oats to 88,525,000 from 95,126,000 bushels, and barley to 11,494,000 from 12,241,000 bushels. All grains, however, were valued above those of 1938.

A bread-grain inventory was taken in Sweden on October 16, which indicated a slight reduction in the surplus wheat and rye held for sale by farmers in central and southern Sweden since the previous inventory on January 2, 1939. Mills, dealers, and the State Grain Corporation, had, in addition, over 16 million bushels of wheat and 4 million bushels of rye. It appeared probable that there would be a rather large surplus of wheat after domestic requirements for the current year were satisfied, but stocks of new-crop rye appeared somewhat deficient, and it is possible that old-crop supplies may be drawn upon to fill domestic rye needs. Total mill stocks of wheat and rye in Sweden, including both domestic and foreign grain, were estimated as of December 31, 1939, at 5,913,000 bushels of wheat, and 1,717,000 of rye as compared with 3,983,000 and 1,213,000 bushels, respectively, on December 31, 1938.

SWEDEN: Acreage, production, trade, and apparent domestic utilization of wheat, 1926-1939

Year	Acreage	Average yield per acre	Production	Imports a/	Exports a/	Apparent domestic utilization
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Average -						
1926-1930	544	31.5	17,126	8,844	1,907	24,063
1931-1935	702	33.9	23,772	3,045	1,404	25,413
1936.....	694	31.2	21,635	1,931	1,875	21,691
1937.....	734	35.0	25,720	1,688	2,424	24,984
1938.....	759	39.8	30,184	1,988	333	b/ 31,839
1939.....	828	37.8	31,304	-	-	-

Compiled from official statistics. a/ July-June year; flour included. b/ Apparently includes stocks held by the State Grain Corporation.

About a third of Sweden's wheat requirements, including flour in terms of grain, were met during 1926-1930 by importation, despite the fact that production had expanded by 62 percent over the average for 1921-1925. As a result of increased protection and encouragement to grain producers, the wheat crop of 1934 exceeded domestic needs, and in the marketing season July-June 1934-35 exports were larger than imports. In the following season, net exports were even larger, although the acreage for the 1935 crop had been reduced, and production had fallen to 23,610,000 bushels. In 1936-37, following another small crop, there was a net import, but in 1937-38, exports were again larger than imports. As the outbreak of the European war became imminent, a curb was placed on exportation, despite the larger crops of the past 3 years, and reserve stocks were accumulated.

Imports, maintained on a level of about 1.8 million bushels since 1932-33, are largely for the purpose of securing high-grade wheat for mixing purposes, with the United States and Canada the principal sources of supply. The average percentage of total United States wheat exports going to Sweden, however, in the past three marketing seasons has amounted to less than 0.04 percent. When on an export basis, Sweden has found its best market in the Netherlands and the United Kingdom; Norway and Denmark regularly take small amounts, regardless of the size of the Swedish crop.

Of the various measures passed by the Swedish Government to encourage domestic bread-grain production, probably the most important was the Milling Resolution, which became effective on September 1, 1930. This provided that all bread grain used in the production of flour must include a certain percentage of domestic wheat or rye. The amounts fixed, known as "milling percentages," are announced periodically by decree. For the period January 1 to February 29, 1940, they were unchanged from those fixed for November-December 1939. The average for domestic wheat must not be less than 90 percent, although as high as 20 percent foreign wheat may be used for certain mixtures. In the case of rye, only 10 percent foreign grain may be used.

BRAZIL REDUCES ADMIXTURES TO WHEAT FLOUR

Effective January 1, 1940, the director of the Brazilian Flour Service Board issued new regulations regarding the addition of domestic cereals to wheat flour for home consumption, according to the American Embassy at Rio de Janeiro. With the establishment of the Board on November 30, 1937, the Brazilian Government undertook to develop domestic production of wheat and to control the importation of wheat and wheat flour. Milling percentages for domestic and imported wheat were fixed as well as the amount of flour from domestic wheat that was to be mixed with imported flour. The Board has also established from time to time the price to be paid by mills for domestic wheat and carries on considerable experimental and educational work.

The new regulations call for a continuation of the admixture of 5 percent of corn meal and 3 percent of rice four already in force but a reduction from 10 to 8 percent in the required amount of manioc or cassava flour. If, however, sufficient corn meal and rice flour are not available to meet these requirements, the percentage of manioc flour may be proportionately increased.

Sales of these products were restricted to those firms registered in the office of the Flour Service Control Board that supply regular periodic stock reports. Permits for the importation of foreign flour may be issued by the Board alone and to those firms registered with the Board that submit monthly reports showing imports and distribution of flour as well as the purchase and distribution of domestic products for mixing with wheat flour.

MANCHURIAN SOYBEAN EXPORTS DECLINE

Manchurian soybean exports for November were sharply below the same month a year earlier, according to a report from American Vice Consul Maurice Pasquet at Dairen, transmitted by radio from the American consulate general at Shanghai. Furthermore, soybean arrivals at Dairen, the principal exporting center, were also substantially less than the corresponding month last year. While soybean exports declined, there was an increase in soybean-oil and cake exports.

Decreased arrivals at exporting centers is attributed to the inauguration of the Government monopoly on November 1. Inadequate preparation in setting up the monopoly and reduced delivery at interior points, because prices offered were below expectations, are believed, to be factors causing shorter supplies available for export this season. In addition, however, the 1939 soybean harvest was somewhat smaller than the 1938 crop.

Soybean exports from Manchuria for October and November, the first 2 months of the 1939-40 marketing year, amounted to only 3,164,000 bushels, as compared with 9,295,000 bushels for the same months last season. The greatest decline was in shipments to Europe, which totaled only 432,000 bushels, as compared with 4,604,000 bushels for the 2 months in 1938. Loss of the German market and the shortage of shipping space have contributed to this sharp decline.

Bean-oil exports to Europe have increased substantially this season, amounting to approximately 22,000,000 pounds during October and November, as compared with a negligible quantity during the same months in 1938. A small increase in bean-oil shipments to the United States also took place during the first 2 months of the current marketing year.

Bean-cake exports from Manchuria during October and November were materially larger than during the same months a year ago. The increased exports have gone almost entirely to Japan and Taiwan.

MANCHURIA: Soybean, bean-oil, and cake exports, October and November, 1938 and 1939

Item	Unit	1938		1939	
		October	November	October	November
		Thousands	Thousands	Thousands	Thousands
Soybeans	Bushel	4,189	5,106	1,139	2,025
Bean cake and meal	Short ton	41	65	95	86
Bean oil	Short ton	3	3	8	7

American agricultural attaché at Shanghai.

The Government monopoly on November 1, 1939, fixed the selling price for soybeans to millers and exporters at 88.25 cents per bushel,

while the price paid to producers was fixed at 74.40 cents per bushel. The European war has rendered soybean quotations nominal. Forward business at the beginning of December was reported to be very small, whereas normally forward volume of sales is large at this time of the year.

INCREASED CASTOR-BEAN PRODUCTION IN BRAZIL EXPECTED

A substantial increase in castor-bean production in Brazil is forecast for 1940, according to a report from American Consul Robert Janz at Bahia. Increased production is expected as a result of the strong export demand, high prices, and favorable weather.

Castor beans in Brazil are obtained from the cultivated crop and the perennial plant, which grows wild. When prices are high farmers find it profitable to go further into the interior and pick larger quantities of castor burs from the wild plants.

Castor-bean production estimates for Brazil are not available. In the Bahia region, trade sources estimated the 1939-40 production at approximately 33,000 short tons and are expecting the 1940-41 harvest to amount to 45,000 to 65,000 short tons. It is not known what percentage the Bahia crop is of the total Brazilian production. Favorable prices, however, are expected to result in increased production in other parts of the country also.

Prices at Bahia in December averaged $3.49 per 100 pounds compared with $1.86 in September and $1.19 in December of 1938. Brazil in 1935 replaced British India as the world's largest exporter of castor beans.

Total castor-bean exports from Brazil from 1936 to 1938 averaged 256 million pounds, as compared with exports during 1928-1932 of 37 million pounds. Exports from Bahia represent about 25 percent of the total from Brazil at the present time. Distribution of exports from Bahia are given in the following table:

CASTOR BEANS: Exports by countries from the Port of Bahia, Brazil, 1938 and 1939

Country	1938	1939	Country	1938	1939
	1,000 pounds	1,000 pounds		1,000 pounds	1,000 pounds
Germany.....	-	1,574	Italy.....	2,394	676
United States.	42,295	38,956	Netherlands...	10,962	2,742
Belgium.....	12,257	1,347	Uruguay.....	88	-
France.....	4,620	2,702	Japan.....	2,341	-
Great Britain.	13,149	7,597	Total.....	88,106	55,594

American consulate, Bahia.

The consul reported that during the October-December quarter, exports to European countries dropped off sharply compared with the same quarter in 1938. Exports to Italy, however, increased, which is explained by the fact that this country now may be having difficulty in obtaining castor seed from British India.

The United States is one of the important markets for Brazilian castor-bean exports. A notable shift has taken place in United States imports of castor beans during the past decade. British India formerly supplied 80 percent of the United States imports, while at the present time approximately 99 percent are coming from Brazil.

CASTOR BEANS: Imports into the United States, average 1926-1930, annual 1931-1939 a/

Year	Country of origin			
	Brazil	British India	Others	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average - 1926-1930	11,146	115,826	1,581	128,553
1931	15,937	86,066	1,212	103,215
1932	17,572	65,360	224	83,156
1933	46,007	61,958	5,135	113,100
1934	47,740	30,860	14,240	92,840
1935	49,831	12,703	14,515	77,049
1936	145,374	6,895	11,808	164,077
1937	144,395	0	2,413	146,808
1938	113,030	0	1,043	114,073
1939	161,927	0	684	162,611

Compiled from Commerce and Navigation of the United States.
a/ General imports prior to January 1, 1934; since then imports for consumption.

ALLIES TO PURCHASE TURKISH DRIED FRUIT

The British and French Governments have undertaken to purchase annually during each of the next 3 years Turkish dried fruits and nuts of at least 10 million Turkish pounds in value, according to cables received from the American Embassies at London and Ankara. This commitment was part of the Anglo-French-Turkish commercial agreement, which was announced by the British Government on January 17. The Allies will use Turkish pounds, which are to be derived from service on a Government loan to Turkey, to pay for these products.

The bulk of the Allied purchases is expected to consist of sultana raisins, dried figs, and filberts. Total Turkish exports of dried fruits and nuts amounted to 36 million Turkish pounds in 1938 and to 22 million

the previous year. In 1938 raisin exports accounted for 40 percent of the total value, shelled filberts for 34 percent, and figs for 15 percent. These three products, therefore, accounted for almost 90 percent in value of Turkish exports of dried fruits and nuts.

TURKEY: Exports of specified dried fruits and nuts, quantity and value, calendar years, 1937-1938

Product	1937		1938 a/	
	Quantity	Value b/	Quantity	Value b/
	1,000 pounds	1,000 Turkish pounds	1,000 pounds	1,000 Turkish pounds
Dried fruit -				
Raisins	63,537	5,942	182,923	14,329
Figs	53,683	3,246	91,069	5,553
Apricots and peaches	184	20	5,612	577
Prunes	22	1	988	92
Apples	16	4	44	3
Total dried fruit	117,442	9,213	280,636	20,554
Nuts -				
Filberts, in shell	8,339	724	2,431	260
shelled	45,555	9,970	49,937	12,186
Almonds, in shell	979	77	223	23
shelled	1,942	682	1,079	324
Pistachio, in shell	2,152	653	852	260
shelled	227	153	138	76
Walnuts, in shell	649	36	18,361	1,665
shelled	1,127	197	1,646	375
Pignolia, in shell	6	2	4	1
shelled	92	26	14	7
Peanuts, in shell	5	c/	215	22
shelled	c/	c/	3	1
Others	d/	166	d/	513
Total nuts	d/	12,686	d/	15,713
Total dried fruits and nuts	d/	21,899	d/	36,267

Statistique Annuelle du Commerce Exteriur of Turkey.
a/ Preliminary.
b/ Turkish pound equivalent to about 80 United States cents.
c/ Less than 500.
d/ Total not comparable for addition.

Prior to the European war, Germany was by far the principal market for Turkish dried-fruit and nut exports. In 1938 that country took 80 percent of the raisins exported, 53 percent of the figs, and over 50 percent of the filberts moving into export. The United Kingdom and France, on the other hand, accounted for only 3 percentof the raisins and 14 percent of the dried figs shipped out of the country.

TURKEY: Exports of raisins and figs by principal countries, 1937 and 1938

Country of destination	Raisins		Figs	
	1937	1938 a/	1937	1938 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Germany	29,215	146,619	15,265	48,675
United Kingdom	11,240	3,827	11,311	8,298
France	819	1,720	2,408	4,244
Belgium	4,732	5,004	b/	b/
Netherlands	3,620	6,104	b/	b/
Ireland	1,518	740	b/	b/
Others	12,393	18,909	24,699	29,852
Total	63,537	182,923	53,683	91,069

Statistique Annuèle Commerce Exterieur of Turkey.
a/ Preliminary. b/ Included in "others."

Allied purchases of dried fruits and nuts to the value of 10 million Turkish pounds, which were provided for in the agreement, will represent almost 46 percent of the total value of exports of these commodities in 1937 and nearly 28 percent of the value of the 1938 movement. In terms of quantity, this will result in substantially heavier Allied imports of raisins, figs, and filberts than have occurred during the past few years. Heavier imports of Turkish raisins into the Allied countries will adversely affect exports of United States raisins, despite the fact that the bleached Turkish product is not directly competitive with the unbleached California raisin. Heavier quantities of dried-fig and filbert imports into the Allied Nations will not compete with American products, since this country is an importer, rather than an exporter, of both figs and filberts.

GUATEMALA BANANA EXPORTS HEAVY IN 1939

Exports of bananas from Guatemala amounted to 10,053,000 bunches during the calendar year 1939, an increase of 7 percent over those during the previous year, according to a report from American Commercial Attaché Howard H. Tewksbury at Guatemala City. Shipments during the year were substantially above the average of 5,469,000 bunches for the 5 years 1931-1935, and of 6,184,000 bunches during the 5 years 1926-1930. Practically the entire export moves to the United States.

GUATEMALA: Exports of bananas, calendar years, 1938 and 1939

Year	Atlantic Coast	Pacific Coast	Total
	Bunches	Bunches	Bunches
1938	5,837,029	3,551,924	9,388,953
1939	4,853,916	5,198,782	10,052,698

American commercial attaché at Guatemala City.

For the first time in the history of Guatemalan banana industry, exports from the Pacific producing areas exceeded those from Atlantic coast regions. This reflects the shifts that have taken place in the country. Production has expanded rapidly in the Pacific sections, while in 1939 plantations were abandoned in the Atlantic producing area, and production declined.

CHILE SETS QUOTA ON MELON SHIPMENTS TO NEW YORK

A maximum of 167,000 cases of melons may be shipped from Chile to New York City between January 1 and April 30, under the terms of a decree issued through the Ministry of Agriculture on January 5, American Consul Fayette J. Flexer reported recently. The Agricultural Export Board has been given the responsibility of administering this regulation. Exports of melons to markets in the United States that are not close to New York are not subject to this quota.

UNITED STATES: Imports of melons by principal countries, July to June, 1932-33 to 1938-39

Year	Chile	Argentina	Mexico	Spain	Total a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1932-33	6,311	4	112	750	7,246
1933-34	5,515	83	1,768	800	8,176
1934-35	4,968	339	2,083	534	7,946
1935-36	4,379	177	1,633	1,264	7,462
1936-37	4,002	114	342	1,176	5,647
1937-38	3,975	348	260	516	5,111
1938-39	3,379	106	686	0	4,581

Compiled from official records of the Bureau of Entomology and Plant Quarantine.
a/ Includes some from other countries.

Chile is the most important foreign supplier of melons to this country. Actual imports from Chile have been declining in recent years, amounting in 1938-39 to only about 54 percent of arrivals in 1932-33. Total United States imports have shown a corresponding decline during this period. Imports from Chile arrive during the winter and early spring months and consist chiefly of honeydew melons.

NON-EUROPEAN COUNTRIES TAKE MORE UNITED STATES LARD, CANADA MORE PORK

The two most striking features of the United States trade in pork and lard in recent years are the steadily increasing shipments of lard to non-European countries and the large increase in shipments of fresh pork to Canada in 1939.

Total exports of lard, including neutral lard, amounted to 277 million pounds in 1939 and were 36 percent larger than in 1938. Shipments to European countries amounted to 168 million pounds and increased only 25 percent above 1938, whereas those to non-European countries amounted to 105 million pounds and increased 56 percent.

Whereas there have been important increases in lard shipments to both European and non-European countries since 1935, when they were the smallest for many years, exports to principal non-European countries now constitute 38 percent of the total compared with 29 percent in 1935. Cuba is the most important destination, although exports to Colombia, Venezuela, and Mexico are reaching fairly substantial proportions. The United Kingdom continues to be the most important single market for American lard but exports to Germany are much smaller than prior to 1935.

UNITED STATES: Exports of lard, including neutral lard, to principal European and non-European countries, 1935-1939 a/

Country of destination	1935	1936	1937	1938	1939
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Principal European:					
United Kingdom	64,679	63,655	75,302	124,810	150,221
Belgium	334	1,946	625	1,676	8,037
Sweden	91	54	44	186	3,770
Malta, Gozo, and Cyprus	13	8	127	1,055	2,230
Italy	212	-	1,427	23	1,875
Finland	25	98	271	122	732
Czechoslovakia	280	226	1,626	5,303	519
Germany	1,544	6,872	2,370	1,523	370
Netherlands	222	245	393	138	617
Norway	6	7	10	22	44
France	7	15	-	95	29
Total above	67,413	73,126	82,195	134,983	168,444
Principal non-European:					
Cuba	24,295	31,010	41,363	47,454	55,431
Colombia	3	522	32	2,769	15,379
Venezuela	248	43	882	3,470	11,463
Mexico	1,137	1,761	6,875	7,234	10,486
Costa Rica	398	78	363	1,869	3,223
Canada	646	2,903	2,193	1,128	3,172
Ecuador	15	237	288	949	2,516
Panama Canal Zone	769	789	633	1,628	2,125
Dominican Republic	473	155	175	1,155	1,497
Total above	27,984	37,498	52,804	67,656	105,292
All others	1,963	1,544	1,779	1,964	3,535
Total all countries	97,360	112,168	136,778	204,603	277,271

Compiled from records of Foreign and Domestic Commerce.
a/ Arranged in order of importance in 1939.

Pork exports from the United States, including fresh, cured, and canned, increased 35 percent above 1938. The most important change in destination noticed, as compared with recent years, was a large increase in shipments of fresh pork to Canada. It seems probable that Canada will continue to supplement domestic supplies of fresh pork by imports from the United States while under obligation to ship from 230 to 290 million pounds of bacon and ham annually to the United Kingdom. (United Kingdom-Canadian Agreement, Foreign Crops and Markets, February 3, 1940, p.124.)

UNITED STATES: Exports of pork, bacon, and hams to principal countries, 1935-1939

Country of destination	1935	1936	1937	1938	1939
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Pork, fresh and frozen:					
Canada	303	76	56	516	21,066
United Kingdom	8,334	1,278	2,702	6,484	6,797
Others	2,571	1,395	1,480	2,254	3,383
Total	11,208	2,746	4,238	9,254	31,246
Ham and shoulders:					
United Kingdom	47,848	36,829	34,570	45,218	48,817
Canada	248	605	288	1,195	2,490
Cuba	3,170	2,273	2,172	2,523	2,446
Others	4,114	3,457	2,830	3,280	4,126
Total	55,380	43,163	39,860	52,216	57,879
Bacon:					
United Kingdom	1,190	1,156	709	2,042	3,173
Canada	41	108	104	872	1,317
Others	4,637	2,831	2,140	6,748	6,100
Total	5,868	4,095	2,953	9,662	10,590
Cumberland and Wiltshire sides:					
United Kingdom	432	261	43	1,661	3,344
Canada	a/	1	2	20	2,426
Others	11	205	a/	a/	a/
Total	443	467	45	1,681	5,770
Pork, other, pickled or salted:					
Newfoundland and Labrador	2,974	3,462	3,483	2,880	3,752
Canada	420	3,128	1,991	3,450	3,206
United Kingdom	726	593	345	1,628	1,710
Others	4,156	3,337	3,191	6,124	6,303
Total	8,276	10,520	9,009	14,082	14,971
Pork, canned:					
United Kingdom	7,242	6,454	5,830	7,361	7,515
Canada	73	239	26	42	49
Others	1,190	1,214	1,271	1,334	1,522
Total	8,505	7,937	7,127	8,737	9,086
Total exports of pork, excluding lard	89,686	67,930	65,238	95,632	129,542

Compiled from records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500 pounds.

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WARTIME COMMODITY CONTROL MEASURES

RAW WOOL, TOPS, AND NOILS

The wartime measures undertaken in the principal wool-producing and -consuming countries for the purpose of regulating supply, prices, exports, and imports is of interest to American producers and consumers, because the United States has been dependent on foreign sources for around 15 percent of its requirements of apparel wool and all of its requirements of carpet wool.

The estimated quantity of apparel wool available for consumption in the United States, for the 5-year period 1934-1938 was 504 million pounds, according to the Bureau of Agricultural Economics, 431 million pounds of which was home produced. The estimated quantity of carpet wool available was 124 million pounds, all of which was imported. In these calculations, stocks have not been taken into consideration.

Belligerent Consuming Countries

United Kingdom

The wool situation in the United Kingdom is of particular interest, since even in normal times that country is the world's greatest wool market, receiving wool from practically all exporting countries and reselling a fair quantity of it to other countries, thus more or less determining the world price of wool. In wartime the measures undertaken in the United Kingdom are of outstanding importance since the United Kingdom has thereby acquired control of almost 50 percent of the world's output of wool, 1/ exclusive of the Soviet Union and China.

One of the first steps taken toward assuring an adequate supply of wool for the United Kingdom industry was to make agreements, announced October 14, 1939, with the Governments of Australia and New Zealand whereby the United Kingdom agreed to purchase the exportable surplus of these countries for the period of the war and one clip thereafter.

The price agreed upon for the current Australian clip was 10.75d. British currency (17.8 cents) per pound and for the New Zealand clip, 9.8d. British currency (16.2 cents) per pound. This was the average for the whole clip, which was divided into a number of different grades at different prices according to a "table of limits," but the price of the whole clip was to average the price agreed upon. Each of the two Dominions was to share equally with the United Kingdom in any profit accruing from the resale of its wool outside the United Kingdom.

1/ See Foreign Crops and Markets, September 23, 1939, and November 18, 1939.

The Ministry of Supply of the United Kingdom, under date of September 1, 1939, 1/ at the very outbreak of the war, took over complete control of the wool industry in the country. This and subsequent orders included control over stocks of raw wool, the fixing of prices, and the distribution to military and civilian consumers. Effective September 5, 1939, 2/ a maximum-price schedule was issued by the Ministry of Supply for 37 descriptions of wool, tops, and noils for the home industry and the earlier order of September 1, 1939, was revoked. According to the provisions of this latest order, no one was to be permitted to buy or sell any raw wool, tops, noils, or combing lap in the United Kingdom at that time or entering thereafter at a price exceeding the maximum price specified in the order. These prices were for British wool, Colonial tops, noils, and wools, and East Indian wools. Deliveries of wool against existing contracts were suspended under date of September 26, 1939, pending the taking of a census of existing stocks of raw materials and semimanufactures.

Foreign-wool stocks requisitioned and maximum prices established - Later, under date of October 23, 1939, all stocks of Australian, New Zealand, South African, and South American raw wool, tops, and noils were requisitioned and were to be invoiced to the Wool Control. 3/ Maximum take-over and issuance prices 4/ for the home industry were announced. Stocks of wool and tops required for fulfillment of contracts were taken over by the Control at the maximum "take over" prices, but if not required for military purposes were to be immediately reinvoiced to the owner at the same price. The only wools exempt were those (a) owned by industry for manufacture and (b) owned to fulfil existing contracts and not required for war services.

In connection with the new civilian rationing of wool tops and noils for the period March-June, new domestic issue prices have been announced for Colonial wool, tops, and noils to be effective March 1, 1940. Prices were given for a long list of grades of tops and colonial combing wools, but in the table on page 185 only prices for the grades reported in earlier schedules are given. The price of colonial oil-combed tops 64's was 71.28 cents a pound according to this latest schedule, compared with 53.04 cents in October, or an increase of 34 percent. There were rises in price all along the line, in general, the increases being greater in the lower grades than in the higher. The lower grades, 58's and lower, are those used for military uniforms.

1/ The Control of Wool Order, September 1, 1939, Statutory Rules and Orders No. 1000.
2/ The Control of Wool (Amendment) Order, September 5, 1939, S.R.&O. No. 1100.
3/ The Control of Wool (Requisition) (Imported Stocks) Order No. 5, October 20, 1939, S.R.&O. No.1476.
4/ See Foreign Crops and Markets, November 18, 1939, for schedule of maximum "take over" and "issue" prices in British and American currencies. The Control of Wool (No.4) October 20, 1939, S.R.&O. No. 1475.

UNITED KINGDOM: Prices per pound of specified colonial raw wool, tops, and noils to home trade, October 22, 1939 and March 1, 1940 a/

Reference number and description	United Kingdom currency		United States currency b/	
	October 23, 1939 c/	March 1, 1940 d/	October 23, 1939c/	March 1, 1940d/
	Pence	Pence	Cents	Cents
Tops (colonial) oil combed -				
64's warp	31.75	42.50	53.04	71.28
56's super	25.75	36.75	43.02	61.63
48's average (carded)	22.00	-	36.75	-
48's hog	22.25	-	37.17	-
44's prepared	20.50	-	34.25	-
Colonial wools - combing types, clean, scoured -				
64's warp	25.50	34.00	42.60	57.02
56's super	20.50	29.75	34.25	49.89
48's average (carded)	17.50	-	29.23	-
48's hog	18.00	-	30.07	-
44's prepared	16.25	-	27.15	-
Noils, white Noble, combed -				
Australian 64's clear	19.25	25.50	32.16	42.77
56's average (carded)	15.50	21.00	25.89	43.42
48's average (carded)	13.75	-	22.97	-
Colonial wools - clothing types -				
Australian scoured fleece, good color, sound, fine 70's	25.75	35.50	43.02	59.54
Australian scoured locks, fair color, part fault 60/64's	16.75	24.50	27.98	41.08
Australian scoured skin wools, super style, merino combing 64's	25.75	34.50	43.02	57.85
Cape scoured average snow whites, short, slight fault 64/70's	19.75	28.50	33.99	47.80

a/ These prices do not apply to these materials when required for export in the existing state. b/ Conversions to American currency made at exchange rate of $4.0093 per pound sterling for October 1939 and at $4.025 (official) for 1940. c/ Issue prices furnished by cable from American Embassy. d/ Issue prices (No. 9) Home Trade - Operative March 1, 1940, published in Weekly Wool Chart, January 4, 1940 (for wools and noils) and No. 10 (for tops). Prices for more grades are given in these later orders but the comparisons made for a few grades indicate the increase in price.

Stocks of domestic wools requisitioned and prices fixed - Under date of October 27, 1939, 1/ stocks of specified British-produced wool in the United Kingdom, with the exception of wool in the possession of

1/ The Control of Wool (Requisition) Order, October 27, 1939, S.R. & O. No. 1512.

manufacturers and that still in first hands on farms, were requisitioned by the Minister of Supply and "issue" 1/ prices for these graded and sorted wools announced for the home trade.

UNITED KINGDOM: Maximum price per pound of selected and graded British wool, in the fleece, October 30, 1939, with comparisions a/
(Prices delivered Bradford or area in which consumed)

Description	British currency				American currency b/			
	Sept. 5, c/	Oct. 23, d/	Take-over price Oct. 27 e/	Issue price Oct. 30, f/	Sept. 5, c/	Oct. 23, d/	Take-over price Oct. 27 e/	Issue price Oct. 30, f/
	Pence	Pence	Pence	Pence	Cents	Cents	Cents	Cents
Lincoln wethers, washed...	13.00	13.00	13.75	15.00	21.78	21.78	23.03	25.12
Selected Kent wethers, greasy.....	11.50	11.50	12.25	13.25	19.26	19.26	20.52	22.19
Norfolk half-bred hogs, greasy.....	11.00	11.00	11.75	12.50	18.42	18.42	19.68	20.94
Selected Cheviot ewes, greasy.....	12.50	12.50	13.25	14.50	20.94	20.94	22.19	24.29
Selected Blackfaced ewes, greasy.....	9.25	9.25	9.75	10.50	15.49	15.49	16.33	17.59
Selected Welsh fleeces, washed.....	12.00	12.00	12.75	13.75	20.10	20.12	21.36	23.03
Shorn Kent lambs, greasy, sorted.....	11.50	11.50	12.25	13.25	19.26	19.26	20.52	22.19

a/ Excludes wool produced in the Orkney Islands, Shetland Islands, or the Outer Hebrides, also wool in the hands of manufacturers or in first hands (farmers). b/ Conversions made at official British rate of exchange of $4.02 per pound sterling. c/ The Control of Wool (Amendment) Order, September 5, 1939, S.R. & O. No. 1100. d/ The Control of Wool (No. 4) Order, October 20, 1939, S.R. & O. No. 1475 - stated to be selected and graded wools. e/ The Control of Wool (No. 6) Order, October 27, 1939, S.R. & O. No. 1511. f/ Cable from American Embassy.

Maximum prices for farmers' clips (not graded) were issued to be effective December 15 for a long list of grades with prices given for both washed and grease condition. This includes wools of England, Wales, Scotland, and Northern Ireland, 2/ and these wools were requisitioned under date of December 16. 3/

1/ The Control of Wool (Prices) Order, October 27, 1939, No. 1511 - new prices substituted for those published in S.R. & O. No. 1100 of September.
2/ The Control of Wool (No. 9) Order, December 13, 1939, S.R. & O. No. 1791.
3/ The Control of Wool (No. 10) Order, December 13, 1939, S.R. & O. No. 1792.

Maximum prices for East Indian wool (carpet wool) were announced by the Ministry of Supply September 5, 1939, October 23, 1939, and November 24, 1939. This later order also included prices for Irak wool. These wools have not been requisitioned as yet. 1/

UNITED KINGDOM: Maximum prices of East Indian wool and hair, by orders of the Wool Control, September 5 to November 24, 1939 a/

Description	British currency			American currency b/		
	Sept. 5 1939 c/	Oct. 22 1939 d/	Nov. 24 1939 e/	Sept. 5 1939 c/	Oct. 22 1939 d/	Nov. 24 1939 e/
	Pence	Pence	Pence	Cents	Cents	Cents
East Indian wools -						
Vicanere white	15.25	17.00	18.75	25.54	28.48	31.41
Ioria white	12.75	14.25	16.00	21.36	23.87	26.80
Kandahar white	10.50	11.75	13.00	17.59	19.68	21.78
Marwar white	11.25	12.50	13.75	18.84	20.94	23.03
Kandesh black	8.75	9.75	10.75	14.66	16.33	18.01
Irak wools -						
White	-	-	13.50	-	-	22.61
Fawn	-	-	11.75	-	-	19.68
Black	-	-	13.00	-	-	21.78
Grey	-	-	12.00	-	-	20.10

a/ Prices at which manufacturers purchase, as these wools have not been requisitioned.
b/ Conversions to American currency made at official British rate of exchange of $4.02 per pound sterling.
c/ The Control of Wool (Amendment) Order dated September 5, 1939, made by the Minister of Supply under Regulations 55 and 98 of the Defense Regulations 1939, S. R. & O. No. 1100.
d/ The Control of Wool (No. 4) Order dated October 20, 1939, S. R. & O. No. 1475.
e/ The Control of Wool (No. 8) Order, November 20, 1939, S. R. & O. No.1661.

Import and export control and prices - One of the first of the measures taken in the United Kingdom was to prohibit the exportation of wool, tops, or noils from the United Kingdom. However, it was announced by the press on November 3, 1939, that the Wool Control was willing to consider applications for licenses granting exports of normal quantities of fine wool, tops, noils, and laps, 58's quality or higher, and limited amounts of low wools, tops, noils, and laps, 36's quality or lower (carpet wools). The British Government reserved for the home trade stocks between 36's and 58's quality for war needs. The export prices were not stated.

1/ S.R. & O. No. 1100, 1475, and 1161. (See footnotes, table on page 186, for full names of orders.)

The Export Licensing Department had issued a number of licenses for export of fine tops but the licenses were not valid until export prices were decided upon by the Wool Control.

In December it was announced that a decision had been reached by the Minister of Supply to make 10 million pounds of Australian wool immediately available to United States importers. 1/ It was reported by cable from the American Embassy under date of January 5, 1940, that the Wool Control had confirmed the inauguration of a scheme for rationing supplies of wool tops and noils for export. No statement was made of the quantity available, but it is expected to be fairly large. Official export prices have not been made public, but under date of December 12, the British press quoted Colonial tops for export as follows: 64's warp, 34.5d. (72.86 cents) a pound; 60's super, 40.5d. (67.84 cents); and 58's, 38d. (63.65 cents).

The wide disparity between home-issue prices and export-issue prices has been considerably narrowed in the announcement of the new home-trade prices for colonial wools, tops, and noils effective March 1, 1940 (see table, page 185).

Under date of December 9, 1939, British trade reports stated that rationing arrangements had been completed for firms that wished to continue the export business in Haslock and Blackfaced wools with importers in the United States. These wools are of the carpet type. Prices of British ungraded wools of this type (farmers' clips) were announced by the Wool Control December 13, 1939, to be as follows: Scottish Blackfaced, grease, 10d. (16.75 cents).

Rationing for the home industry - It was announced by the press under date of October 23 that clothing wools were being rationed to the woolen trade and wool tops and yarns to weavers and knitters in the United Kingdom. Also there were press notices to the effect that British carpet mills were to be rationed raw materials at 50 percent of pre-war consumption.

Later, under date of November 1, it was reported from British sources that rationing was to be extended to February 29, 1940. Consumption for civilian purposes was to be reduced by 10 percent, in case of worsteds by reducing the weight per yard, and in the case of woolens by a greater use of substitutes.

The Joint Rationing Committee set up by the Wool Control has now decided to allocate to British cloth manufacturers in the period March 1 to June 30, 1940, a ration of 125 pounds of wool for every 100 pounds exported in the form of cloth during the current rationing period, November 1, 1939, to February 29, 1940.

1/ See Foreign Crops and Markets, December 9, 1939, for details.

UNITED STATES AGRICULTURAL TRADE WITH JAPAN

Agricultural products customarily account for a large part of the trade between Japan and the United States. Prior to 1937, about half of American exports to Japan in point of value was made up of farm products, though the proportion has occasionally been considerably greater. (See table, page 190.) Beginning with that year, however, a rapid shift has occurred in Japanese purchases in the United States from agricultural products to commodities of distinctly nonagricultural types. By 1939, although the total value of all goods sent to Japan had remained fairly stable, the agricultural share had fallen to less than one-fifth.

On the side of United States imports from Japan, agricultural products have figured even more largely than in the case of exports. They have accounted for some three-quarters of the total. (See table, page 191.) Imports of farm products from Japan are regularly larger than United States exports of agricultural products to Japan. This relationship is shown in the following table:

UNITED STATES: Trade with Japan in agricultural products, 1929, 1932, 1935-1939

Year ended December 31	Agricultural products		
	Exports to Japan	Imports from Japan	Relation of exports to imports
	Million dollars	Million dollars	Percent
1929	132	374	35
1932	90	112	80
1935	105	107	98
1936	95	115	83
1937	69	118	58
1938	56	94	60
1939 a/	46	120	38

a/ Preliminary.

It will be observed from this table that there has been a substantial decline since 1929 in the value of American imports as well as in exports. Important differences are to be noted, however, both in the time and in the causes of these declines. In the case of imports, there has been practically no recovery from the great decline which occurred during the 1929-1932 depression as a result of the precipitous drop in world prices of raw silk. During the past 5 years, when most other commodities were recovering a substantial part of the market they lost after 1929, silk met vigorous competition from newly developed industrial fibers, chiefly rayon. Such price recovery as took place was offset, so far as United States imports from Japan were concerned, by a decrease in quantity taken. Consequently, the total value of the trade has in no year been significantly above the 1932 figure.

UNITED STATES: Value of exports to Japan, 1929, 1932, and 1936 to 1939

Item	Year ended December 31					
	1929	1932	1936	1937	1938 preliminary	1939 preliminary
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Total	258,548	134,147	203,642	287,566	238,767	230,874
Agricultural	132,010	89,987	94,607	68,685	56,483	45,509
Cotton, unmanufactured	109,399	85,921	88,338	61,724	52,850	42,488
Cattle hides	986	488	298	1,836	2,435	1,616
Wheat	8,515	117	126	41	0	0
Wheat flour	1,704	16	12	45	4	509
Leaf tobacco	4,380	795	3,323	1,958	289	2
Other agricultural	6,526	2,650	2,510	3,081	905	894
Nonagricultural	126,538	44,160	109,035	218,881	182,284	185,365
Crude petroleum	2,911	4,895	14,194	22,103	29,956	20,924
Petroleum products	19,949	10,629	14,395	20,635	19,703	22,131
Wood pulp	553	1,082	8,999	14,428	5,663	1,948
Iron and steel scrap	3,090	1,325	14,177	39,386	22,061	32,590
Copper, refined	1,596	34	7,293	17,907	21,813	27,567
Power-driven metal-working machinery	1,115	905	3,331	11,904	23,538	24,579
Automobiles, parts, and accessories	19,016	4,673	11,619	13,581	10,142	6,425
Aircraft and parts	448	367	989	2,484	11,062	2,574
Other nonagricultural	77,860	20,250	34,038	76,363	38,346	46,627

Compiled form official records of the Bureau of Foreign and Domestic Commerce.

UNITED STATES: Value of imports from Japan, 1929, 1932, and 1936 to 1939 a/

Item	Year ended December 31					
	1929	1932	1936	1937	1938 preliminary	1939 preliminary
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Total	431,373	134,011	172,562	195,086	131,633	161,082
Agricultural	373,607	112,219	114,625	118,471	94,442	120,301
Raw silk	356,122	106,188	94,967	99,573	83,651	106,936
Tea	5,152	1,967	2,155	3,725	2,054	3,304
Pyrethrum flowers	2,013	1,207	796	1,995	1,781	1,628
Bristles, sorted & prepared	566	318	1,472	1,063	314	405
Cottonseed oil, edible	b/ 0	b/	1,439	3,582	877	0
Perilla oil	253	273	4,967	889	882	944
Rapeseed oil	997	226	3,345	350	320	605
Other agricultural	8,504	2,040	5,484	7,354	4,563	6,479
Nonagricultural	58,266	21,792	57,937	76,615	37,191	40,781
Crab meat, sauce, and paste	c/ 5,001	1,988	2,568	2,909	2,213	3,923
Tuna fish, in oil	d/	d/	1,007	1,913	960	1,332
Cotton cloth, bleached and colored	188	57	3,450	5,502	1,603	2,784
Silk fabrics, except pile	6,645	1,364	2,351	3,402	2,788	1,989
China and porcelain ware	3,935	1,014	2,555	3,351	1,859	2,072
Toys, including dolls	1,321	788	1,969	2,413	966	890
Other nonagricultural	41,176	16,581	44,037	57,125	26,802	27,791

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ General imports for 1929 and 1932, except as noted. b/ Imports for consumption. c/ Crab meat only. d/ Not separately classified. If any, included in "All other fish, packed in oil," which amounted to $8,000 in 1929 and $697,000 in 1932.

In the case of exports, as in that of imports, values declined in 1929-1932 with the great shrinkage in world prices. The cotton price collapse might have reduced export values considerably more, had it not, unlike the silk price fall, been substantially offset by increases in the physical volume of shipments. Beginning about 1937, however, a new and startling decline in physical volume set in, which brought the total value of United States exports of farm products to Japan in 1939 to something less than half that in 1936. In contrast with the situation in imports, this recent decline is associated with measures of economic policy taken in the importing country.

In that policy, the reduction of Japanese imports of agricultural raw materials of the type supplied by the United States appears to be both a long-run aim and a matter of current expediency. Obviously, to the degree that, by an extension of Japanese cooperation, East Asia could be made to yield some of the raw materials customarily obtained in the United States, Japanese industry could to that extent be relieved for an indefinite period of dependence upon this country for such essential imports. Meanwhile, a curtailment of agricultural imports would naturally serve the military campaign by which such a longer-term purpose might be accomplished.

Since the outbreak of Far Eastern hostilities in 1937, Japan has set up the sort of controls of trade and industry that in recent years have appeared in most industrial countries engaging in, or actively preparing for, military activity. Such controls are designed primarily to bring the economic power of the Nation into complete coordination with the military effort by reserving the maximum possible amount of national income for war purposes. Some typical measures to this end that have direct significance for United States agriculture are:

a. Refusal to permit foreign exchange to be used for the purchase of imports not considered essential.

b. Accordance of preferential treatment in granting import permits to products, which, because originating in countries that have a common currency with the importer or that extend credit freely to the importer, do not require the expenditure of free foreign exchange.

c. Direct discouragement of domestic consumption of imported commodities and encouragement of their replacement by such domestically produced substitutes as can be spared from military needs.

d. Encouragement of domestic production for export to free-exchange markets.

In the aggregate, these measures militate against the purchases of farm products supplied by the United States, though, as the figures show, Japan still requires a substantial volume of such products from the United States. The dollar exchange released by the curtailment of imports of farm products has been largely utilized to increase Japanese purchases of such nonagricultural products as petroleum and its derivatives, metals, metal-working machinery, and aircraft. These purchases contribute, of course, to industrial activity in the United States and to a concomitant increase in consumption of farm products within the United States; and this indirect gain tends to compensate American agriculture for some part, though necessarily a small part, of its direct loss from curtailed shipments of farm products to the Japanese market. The fact, however, that the increases in purchases of nonagricultural items have coincided with the Japanese military campaign in China leaves a question whether even the gains in this segment of the trade are likely to be maintained after hostilities have been concluded.

Agricultural Exports to Japan

The outstanding American product affected by Japanese restrictive measures has been raw cotton, followed by leaf tobacco and wheat. Other commodities, such as fresh and dried fruits and dairy products, which until 1937 were imported in small volume, have during the past 2 years been classed as luxuries, and imports have been entirely prohibited.

Cotton - Since the beginning of the Sino-Japanese conflict, several measures have been introduced to reduce cotton imports and the consumption of cotton goods. Shortly after the outbreak of hostilities, importers were required to secure foreign-exchange permits for all foreign purchases. For several months the practice was to grant permits for raw-cotton imports very sparingly, thereby reducing purchases substantially. The original plan for distribution of import permits, however, appears not to have worked smoothly, and was later replaced by a "link" system whereby cotton mills were permitted to purchase raw cotton equal in value to the amount of cotton piecegoods exported. This method is still in effect.

In addition, action has been taken to reduce imports of cotton for domestic consumption by prohibiting the sale, except for a few items and to the armed forces, of all-cotton textiles for use in Japan or in areas using Japanese currency (i.e., Manchuria and North China). Effective February 1, 1938, cotton goods for sale in Japan were required to contain an admixture of 30 percent, by weight, of synthetic fibers, in the production of which Japan, by swift advances, had then come to occupy the position of the world's leader. On May 5, 1939, the 30-percent regulation was extended to Manchuria and North China. Japanese domestic consumption of cotton goods had previously absorbed about 45 percent of total production.

Another phase of the effort to reduce the expenditure of foreign exchange for raw-cotton imports has been the endeavor to obtain as much

raw cotton as possible from oriental sources. Attempts are being made to increase cotton production in Chosen, Manchuria, and North China. While in Chosen some success has been achieved, in Manchuria climatic and other conditions have not proved altogether favorable. In North China, though the effort is as yet too new to afford a demonstration of what, with more complete political control and economic reorientation, might be the result, some disappointment has been experienced due also in part to drought and to noncooperation of the native population. Nevertheless, the president of the Japan Cotton Spinners Association is now reported to have declared in a New Year statement that the future of the Japanese textile industry lies principally in the Far East - for sources of raw material as well as for markets.

Cotton consumption in Japan trended upward with but minor interruptions from its beginning to 1936-37, when a peak of about 3.9 million bales was reached. Since 1937 there has been a sharp decline, attributable in part to a decline in cotton-goods exports, but more largely, it is believed, to the restrictions on cotton used in goods for domestic consumption. Cotton-spinning mills in Japan are believed to be operating currently at something under 60 percent of full time capacity, due in part to a drought-induced shortage of water power and scarcity of coal. Between January and October of 1939, however, 1.2 millions, or almost 10 percent of the spindles in place were dismantled, and of these about half are reported to have been transferred to mills in China, where labor and some other costs are lower.

JAPAN: Cotton consumption, total and American, piecegoods exports, and spindles installed and active, 1939, with comparisons

Period	Consumption a/		Piecegoods exports b/	Spindles	
	Total	American		Installed (July 31)	Active (calendar year)
	1,000 bales	1,000 bales	Million years	Thousands	Thousands
1913.....	1,424	405	302.3	c/ 3,300	-
1919.....	1,795	711	276.1	-	-
1920.....	1,705	821	820.2	3,690	-
Average -					
1924-1928	2,271	891	1,110.7	d/ 6,272	-
1929-1933	2,592	1,361	1,776.0	e/ 8,209	-
1934.....	3,389	1,857	2,577.3	9,115	-
1935.....	3,648	1,737	2,725.1	9,944	8,488
1936.....	3,549	1,719	2,709.9	10,867	8,465
1937.....	3,281	1,367	2,644.0	11,880	8,993
1938.....	3,485	1,207	2,180.8	12,550	8,036
1939.....	2,681	905	2,473.9	f/11,380	f/ 8,089

a/ Calendar years 1913-1933, equivalent bales of 500 pounds gross; years ended July 31, 1934-1939, equivalent bales of 478 pounds net. b/ Calendar years; linear yards 1913-1920; square yards thereafter. c/ August 31. d/ Year 1928. e/ Year 1933. f/ January-October monthly average.

Japan, since 1932, has been, in point of yardage, the world's largest exporter of cotton piecegoods. The long-rising trend of Japanese cloth exports, however, appeared to level off at about 2.6 to 2.7 million square yards in the period 1934-1937. From this level, exports fell sharply in the world textile recession of 1938 to less than 2.2 millions, but in the late months of 1939 distinct improvement appeared. With Germany blockaded, British costs enhanced, and neutral exporters handicapped by shipping difficulties, some further recovery seems a reasonable possibility, although a gain of about 450 million square yards would be needed to restore exports to the level of 1935.

In any case, to supply the export trade and the needs of domestic consumers, restricted though home consumption is, Japan will continue to need raw cotton in a volume certainly many times greater than can be immediately obtained from Eastern sources and probably in excess of that taken in 1939 from all sources. Moderate increases from August 1 through January have been recorded in the shipments from Egypt and India, and over the season substantial buying from Brazil is in prospect. Although cotton exports from the United States so far in the present season are below the level of last season at this time, the competitive position of American cotton in Japan is reported as favorable; and there is still a possibility that for the season as a whole, Japanese imports of American may show some increase over last year's low figure.

JAPAN: Imports of cotton by countries, averages 1926-1930 and 1931-1935, and marketing years (September-August) 1935-36 to 1938-39
(Bales of 478 pounds net)

Year	United States	British India	China	Egypt	Brazil	Others	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Average -							
1926-1930.....	1,280	1,401	245	60	0	27	3,013
1931-1935.....	1,687	1,247	142	110	4	48	3,438
Annual-							
1935-36.....	1,516	1,861	135	113	69	395	3,789
1936-37.....	1,539	1,987	197	201	228	300	4,452
1937-38.....	675	657	a/ 736	79	183	125	2,055
1938-39 b/	851	1,049	a/ 65	151	352	221	2,689

Compiled from Annual Returns of the Foreign Trade of Japan, and reports of the American consulate general, Osaka.
a/ Additional unrecorded imports have been reported. b/ Preliminary.

Tobacco - Japanese imports of American leaf tobacco ranged from 3 to 12 million pounds a year prior to 1937, but during the past 2 years imports have practically disappeared. The tobacco industry in Japan is a Government monopoly, and purchases are under strict control. American leaf has been displaced both by increased domestic production and by imports from China and India. When hostilities in the Orient cease, it is possible that these sources will continue to supply practically all Japanese requirements.

Wheat - Wheat imports into Japan have been at a very low level during the past 2 years, due to the fact that foreign exchange has not been made available for wheat importation. This is true despite the fact that American and other foreign wheats have ranged from 15 to 60 cents per bushel cheaper than Japanese wheat, figuring prices delivered to mills in Japan with all charges paid.

Agricultural Imports from Japan

Imports of Japanese agricultural products into the United States unlike those of United States agricultural products into Japan, are completely free from all Government control other than that embodied in health regulations. Such imports pay rates of duty as low as those applicable to imports from any country. Silk, which enters entirely free of duty, regularly makes up between 80 to 95 percent of those imports. The remainder is divided among a number of items, principally tea and pyrethrum flowers. Vegetable oils attained some importance in this trade during the years of oil-and-fat shortage in the United States following the great droughts, but they are now negligible. Some bristles, dried beans, and lily bulbs also enter.

Silk - Exports to the United States are all important to Japanese raw-silk producers, since, prior to 1937, they regularly formed over 90 percent of total silk exports. Moreover, the bulk of all Japanese silk produced was exported, and exports to the United States absorbed some 70 percent of all silk produced in Japan.

United States purchases of Japanese raw silk have declined in recent years in both quantity and price. This is brought out by the following table:

UNITED STATES: Imports of raw silk from Japan, 1929, 1932 and 1935-1939

Year ended December 31	Quantity	Value	Average price per pound a/
	Million pounds	Million dollars	Dollars
1929.....	70	356	4.933
1932.....	69	106	1.561
1935.....	64	90	1.633
1936.....	56	95	1.766
1937.....	54	100	1.858
1938.....	51	84	1.706
1939 b/	45	107	2.718

a/ Basis for trading on New York Raw Silk Exchange.
b/ Preliminary.

The decline in quantity has taken place largely since 1932, and is attributable primarily to the development of rayon as a substitute for silk. Rayon consumption in the United States almost tripled between 1932 and 1939. The data are as follows:

Year	Million pounds
1929	133
1932	155
1935	259
1936	323
1937	308
1938	327
1939 (Preliminary)	462

Until 1938, it was generally believed that the substitution of rayon for silk had practically reached its limit because of certain characteristics that made the artificial fiber unsatisfactory for use in the manufacture of hosiery. At about that time, however, there was announced the discovery of a fiber claimed to be equal or superior to silk even in this use, and its rapid development is forecast by industrial-fiber experts in the United States. Hence, the steady decline in the quantity of silk imports is unlikely to be arrested.

As a matter of fact, imports, even at present low levels, appear to be running ahead of consumption. New York stocks of silk are reported to have risen in every month since August and to be the largest in several years.

The price of silk has fluctuated considerably during recent years but has never recovered any substantial part of its great fall during the 1929-1932 depression. Until 1937, it fluctuated primarily with general economic conditions in the United States. Recently, however, it has, in addition, risen in response to a considerable stimulus from the textile situation in Japan.

The measures taken by the Japanese Government to conserve foreign exchange for purposes considered essential have contributed to a scarcity not only of cotton and woolen goods but also of goods made from artificial fibers. Because of the higher price of silk fabrics than any of the others mentioned, the deficit of supplies of such goods below normal textile consumption has been only partially met by silk goods. A sharp rise has taken place, however, in silk consumption in Japan, bringing it currently to levels above consumption in the United States, and the increased demand for silk textiles in Japan, coupled with the improvement in economic conditions in the United States, was sufficient to cause a sharp rise in silk prices in 1939.

Silk waste - A certain amount of silk imported from Japan enters the United States in the form of silk waste. The trends in this trade have roughly paralleled those in the imports of raw silk, as is shown in the following table:

UNITED STATES: Imports of silk waste from Japan, 1929, 1932, and 1935-1939

Year ended December 31	Quantity	Value
	1,000 pounds	1,000 dollars
1929	3,535	1,290
1932	2,012	72
1935	2,102	281
1936	2,509	638
1937	2,534	620
1938	234	79
1939 a/	161	96

a/ Preliminary.

Tea - During recent years, Japan has usually been the leading supplier of United States tea imports, furnishing about 30 percent of the total. During 1938, however, both Ceylon and the Netherlands Indies supplied larger shares than did Japan. Tea is ninth in value among the agricultural products of Japan. About 100,000 acres are devoted to its production.

Pyrethrum - Japan is the main source of United States imports of pyrethrum flowers, an important insecticide material. Prior to 1914, Dalmatia supplied this product almost exclusively; but that source was cut off during the World War and Japan has held the market ever since. During the past 2 or 3 years the quality of the Japanese product has been unsatisfactory, and buyers of pyrethrum flowers have been turning to other sources as far as possible.

Pyrethrum production has recently been introduced in Kenya, British East Africa, with considerable success. The United States obtained 19.7 percent of its supplies from this source during 1937. Other sources were Brazil, 3.4 percent, and Yugoslavia, 1.5 percent. The large amount of hand labor involved in the harvesting of pyrethrum flowers has thus far prevented their commercial production in the United States. The Bureau of Plant Industry is attempting to develop a machine that will eliminate the necessity of this hand labor.

WHEAT: Closing Saturday prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg a/		Liverpool a/		Buenos Aires b/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High c/	71	107	67	102	74	105	64	80	65	-	d/ 60	d/ 70
Low c/	68	96	63	90	70	95	61	73	62	-	d/ 59	d/ 57
Jan. 20	70	101	66	96	72	100	62	76	63	-	d/ 60	d/ 64
27	70	99	66	94	73	98	63	75	65	-	d/ 60	d/ 63
Feb. 3	69	97	65	91	71	96	63	74	63	-	d/ 59	d/ 60
10	68	100	64	94	70	98	62	74	62	-	d/ 60	d/ 57

a/ Conversions at noon buying rate of exchange. b/ Prices are of day previous to other prices. c/ January 1 to February 10, 1940, and corresponding dates for 1939. d/ March futures.

WHEAT: Weekly weighted average cash price at stated markets

Week ended	All classes and grades six markets	No. 2 Hard Winter Kansas City	No. 1 Dk.N.Spring Minneapolis	No. 2 Amber Durum Minneapolis	No. 2 Red Winter St. Louis	Western White Seattle a/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/	73	106	72	104	80	110	74	104	74	109	68	87		
Low b/	70	97	68	95	78	100	71	96	72	101	66	83		
Jan. 20	72	102	70	99	80	104	72	98	72	103	68	86		
27	72	101	72	98	80	104	73	98	74	104	67	85		
Feb. 3	71	97	70	95	80	100	73	96	74	101	66	83		
10	70	99	68	98	78	102	71	101	73	103	67	-		

a/ Weekly average of daily cash quotations, basis No. 1 sacked. b/ January 6 to February 10, 1940, and corresponding dates for 1939.

ARGENTINA: Exports of wheat, wheat flour, and corn, 1934-1939

Calendar year	Wheat	Wheat flour	Total wheat a/	Corn
	1,000 bushels	1,000 barrels	1,000 bushels	1,000 bushels
1934	176,138	1,242	181,727	215,386
1935	141,881	996	146,313	277,601
1936	59,171	897	63,209	329,969
1937	142,829	1,071	147,647	357,750
1938	71,295	945	75,549	104,016
1939 b/	174,296	1,110	179,293	125,823

Compiled from official sources. a/ Including flour, in terms of grain. b/ Preliminary.

FEED GRAINS AND RYE: Weekly average price per bushel of corn, rye, oats, and barley at leading markets a/

Week ended	Corn				Rye		Oats		Barley	
	Chicago				Chicago		Chicago		Minneapolis	
	No. 3 Yellow		Futures		Futures		No. 2		No. 3 White		No. 2	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/	53	59	52	59	64	53	47	73	31	43	57	59
Low b/	48	57	49	56	54	41	45	65	30	42	54	55
			May	May	Feb.	Feb.						
Jan. 13	52	58	53	58	62	51	46	70	31	43	54	57
20	51	59	52	58	59	47	45	68	31	42	54	57
27	50	59	52	58	57	44	46	69	30	42	55	57
Feb. 3	49	57	51	56	56	42	45	66	30	42	57	55
10	48	58	49	56	54	41	45	65	30	43	54	56

a/ Cash prices are weighted averages of reported sales; future prices are simple averages of daily quotations. b/ For period January 1 to latest date shown.

FEED GRAINS: Movement from principal exporting countries

Commodity and country	Exports for year		Shipments, 1940, week ended a/			Exports as far as reported		
	1937-38	1938-39	Jan. 27	Feb. 3	Feb. 10	July 1 to	1938-39 b/	1939-40 b/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels
BARLEY, EXPORTS: c/								
United States	17,614	11,215	0	877	0	Feb. 10	9,177	3,877
Canada	14,014	16,537				Dec. 31	11,820	12,078
Argentina	10,241	9,356				Jan. 20	1,096	4,412
Danube & U.S.S.R.	19,283	26,096	100	0	0	Feb. 10	23,973	3,793
Total	61,352	63,138					45,066	24,160
OATS, EXPORTS: c/								
United States	12,331	5,106	0	0	0	Feb. 10	4,602	694
Canada	8,504	13,738				Dec. 31	7,351	10,842
Argentina	28,505	19,279	1,047	1,136	496	Feb. 10	10,161	17,321
Danube & U.S.S.R.	160	30	0	0	0	Feb. 10	0	70
Total	49,500	38,453					22,114	28,927
CORN, EXPORTS: d/								
United States	139,803	54,369	1,259	311	2,285	Oct. 1 to Feb. 10	22,653	18,978
Danube & U.S.S.R.	9,720	19,629	49	229	214	Feb. 10	9,122	2,118
Argentina	132,495	142,269	2,854	1,819	1,601	Feb. 10	48,538	31,367
South Africa	23,948	25,891	351	317	514	Feb. 10	5,446	7,196
Total	306,127	222,858					85,259	60,043
United States imports	1,819	442				Dec. 31	104	151

Compiled from official and trade sources. a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary. c/ Year beginning July 1. d/ Year beginning October 1.

EXCHANGE RATES: Average values in New York of specified currencies, February 10, 1940, with comparisons a/

Country	Monetary unit	Year 1939	Month				Week ended		
			1938 Jan.	1939 Jan.	1939 Dec.	1940 Jan.	1940 Jan.27	1940 Feb. 3	1940 Feb.10
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina	Paper peso	30.85	33.33	31.13	29.77	29.77	29.77	29.77	29.77
Australia	Pound	353,38	398.35	372.06	313.13	315.82	316.93	317.46	317.24
Canada	Dollar	96.02	99.98	99.19	87.62	88.02	88.09	87.47	86.98
China	Shag.yuan	11.88	29.49	16.26	7.49	7.83	7.77	7.56	7.24
Denmark	Krone	20.35	22.32	20.84	19.30	19.30	19.31	19.31	19.31
England	Pound	443.54	499.98	466.94	393.01	396.39	397.78	398.44	398.15
France	Franc	2.51	3.34	2.64	2.23	2.25	2.25	2.26	2.26
Germany	Reichsmark	40.06	40.28	40.07	40.10	40.12	40.12	40.12	40.12
Italy	Lira	5.20	5.26	5.26	5.05	5.05	5.05	5.05	5.05
Japan	Yen	25.96	29.05	27.20	23.44	23.44	23.44	23.44	23.44
Mexico	Peso	19.30	27.75	19.48	18.18	16.66	16.65	16.65	16.65
Netherlands	Guilder	55.34	55.71	54.19	53.11	53.21	53.10	53.08	53.15
Norway	Krone	23.27	25.12	23.46	22.70	22.71	22.71	22.71	22.71
Sweden	Krone	23.99	25.77	24.04	23.80	23.81	23.81	23.81	23.81
Switzerland	Franc	22.52	23.12	22.58	22.42	22.42	22.42	22.42	22.42

Federal Reserve Board. a/ Noon buying rates for cable transfers.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries, as given by current trade sources, 1937-38 to 1939-40

Country	Total shipments		Shipments 1939-40 week ended			Shipments July 1-Feb. 10	
	1937-38	1938-39	Jan. 27	Feb. 3	Feb. 10	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America a/	184,720	245,296	5,835	4,611	4,233	151,208	117,291
Canada b/	94,546	159,885	5,600	5,300	3,500	110,700	152,200
United States c/	83,589	94,157	329	957	762	55,383	27,984
Argentina	66,928	114,272	3,770	2,408	1,936	40,752	107,365
Australia	127,520	102,116	d/	d/	d/	e/18,696	e/11,028
Soviet Union	42,248	39,824	0	0	0	38,848	2,342
Danube & Bulgaria f/	37,232	52,848	880	808	936	31,848	25,976
British India a/	g/19,677	g/10,097	0	0	0	6,208	0
Total h/	478,325	564,453				287,560	264,002
Total European shipments a/	397,592	450,784					
Total ex-European shipments a/	99,400	146,760					

Compiled from official and trade sources. a/ Broomhall's Corn Trade News. b/ Weekly data represent weekly clearances of wheat, plus estimated weekly flour exports through February 3; subsequently figure obtained by subtracting the United States exports from Broomhall's estimate for North America. c/ Official reports received from 16 principal ports, only. d/ Not available. e/ Through September 2, only. f/ Black Sea shipments only. g/ Official. h/ Total of trade figures includes North America as reported by Broomhall.

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